



North Dakota  
Insurance Department  
Adam W. Hamm, Commissioner

# Consumer Assistance and Enforcement Action Report 2008

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# Summary of total relief

Total relief/previous relief from all sources

Source	Relief	Previous relief	Total
<b>2007</b>			
Company complaints	\$422,665.85	\$2,292,899.53	\$2,715,565.38
Agent complaints	\$32,647.98		\$32,647.98
SHIC and Prescription Connection	\$4,898,673.00		\$4,898,673.00
Hotline	\$581,652.38		\$581,652.38
Agent administrative investigation*	\$675,577.13		\$675,577.13
Company administrative investigation*			
2007 total	\$6,611,216.34	\$2,292,899.53	\$8,904,115.87
<b>2008</b>			
Company complaints	\$521,251.11	\$574,993.10	\$1,096,244.21
Agent complaints	\$44,778.30	0	\$44,778.30
SHIC and Prescription Connection	\$6,703,041		\$6,703,041
Hotline	\$295,098.38		\$295,098.38
Agent administrative investigation*	\$353,132.54		\$353,132.54
Company administrative investigation*	0		0
2008 total	\$7,917,301.33	\$574,993.10	\$8,492,294.43
Combined 2007-2008 total	\$14,528,517.67	\$2,867,892.63	\$17,396,410.30

\*Does not include fines resulting from administrative actions.

\*\*SHIC relief for 2007 is based in part on CMS figures for a part of 2007 and estimated for the balance of the year.

## 2008 complaint statistics

Year	Complaints received	2008 complaints closed	Relief*	Previous files closed	Previous relief**	Total
2008	275	244	\$566,029.41	40	\$574,993.10	\$1,141,022.51

Complaints are separated into two categories—company and agent.

## 2008 company complaints

Year	Complaints received	2008 complaints closed	Relief*	Previous files closed	Previous relief**	Total
2008	241	215	\$521,251.11	34	\$574,993.10	\$1,096,244.21

## 2008 agent complaints

Year	Complaints received	2008 complaints closed	Relief*	Previous files closed	Previous relief**	Total
2008	34	29	\$44,778.30	6	0	\$44,778.30

Complaints are further categorized into seven different groups based on related types of coverage. They are: auto, fire, allied and commercial multi-peril, homeowner, life and annuity, accident and health, liability and miscellaneous.

## 2008 company complaints

Type	Received	2008 complaints closed	Relief*	Previous files closed	Previous relief**	Total
Auto	87	81	\$51,373.17	6	\$58,097.49	\$109,470.66
Fire, Allied/CMP	6	5	\$164,851.45	1	\$97,800.00	\$262,651.45
Homeowners	72	65	\$196,556.24	12	\$405,502.87	\$602,059.11
Life/annuity	6	6	\$10,189.00	1	\$124.20	\$10,313.20
Accident/health	50	42	\$83,786.65	8	\$9,485.70	\$93,272.35
Liability	10	8	\$3,127.00	2	\$3,586.34	\$6,713.34
Miscellaneous	10	8	\$11,367.60	4	\$396.50	\$11,764.10
Total	241	215	\$521,251.11	34	\$574,993.10	\$1,096,244.21

## 2008 agent complaints

Type	Received	2008 complaints closed	Relief*	Previous files closed	Previous relief**	Total
Auto	4	4	\$25.63	0	0	\$25.63
Fire, Allied/CMP	1	1	\$14,759.60	0	0	\$14,759.60
Homeowners	4	4	0	1	0	0
Life/annuity	15	11	\$26,993.07	2	0	\$26,993.07
Accident/health	5	5	0	1	0	0
Liability	0	0	0	0	0	0
Miscellaneous	5	4	0	2	0	0
Total	34	29	\$44,778.30	6	0	\$44,778.30

\*Relief equals that amount which the Department's intervention helped in getting for the consumers.

\*\*Previous relief equals relief collected in that year for a file opened in an earlier year.

## Agent complaint statistics 1999-2008

Year	Complaints	Relief*	Previous relief**	Total
1999	81	\$95,890.34	\$58,307.00	\$154,197.34
2000	62	\$52,459.63	\$159,208.67	\$211,668.30
2001	52	\$4,589.82	\$68,923.40	\$73,513.22
2002	51	\$22,447.20	\$626.86	\$23,074.06
2003	56	\$14,093.10	0	\$14,093.10
2004	33	\$55,730.99	\$1,417.81	\$57,148.80
2005	44	\$386,861.77	\$9,003.64	\$395,865.41
2006	25	\$26,365.65	\$497,756.11	\$524,121.76
2007	32	\$32,647.98	0	\$32,647.98
2008	34	\$44,778.30	0	\$44,778.30
Total	470	\$735,864.98	\$795,243.49	\$1,531,108.27

## Company complaint statistics 1999-2008

Year	Complaints	Relief*	Previous relief**	Total
1999	367	\$280,748.94	\$133,440.39	\$414,189.33
2000	374	\$585,882.44	\$276,953.19	\$862,835.63
2001	379	\$376,501.52	\$32,496.90	\$408,998.42
2002	378	\$829,627.21	\$352,477.29	\$1,182,104.50
2003	310	\$867,895.37	\$91,664.79	\$959,560.16
2004	278	\$373,651.94	\$55,248.16	\$428,900.10
2005	220	\$437,139.32	\$117,323.05	\$554,462.37
2006	205	\$434,564.99	\$59,411.59	\$493,976.758
2007	201	\$422,665.85	\$2,292,899.53	\$2,715,565.38
2008	241	\$521,251.11	\$574,993.10	\$1,096,244.21
Total	2,953	\$5,129,928.69	\$3,986,907.99	\$9,116,836.68

\*Relief equals that amount which the Department's intervention helped in getting for the consumers.

\*\*Previous relief equals relief collected in that year for a file opened in an earlier year.

## Hotline statistics

Year	Walk-ins	Incoming calls	Outgoing calls	Total calls	Relief
1995	329	5,965	3,520	9,485	\$10,634.27
1996	325	4,611	7,080	11,691	\$120,610.40
1997	294	1,621	11,855	13,476	\$19,872,158.97*
1998	237	1,577	10,797	12,374	\$320,550.77
1999	209	1,316	10,399	11,715	\$325,696.48
2000	218	1,414	9,731	11,145	\$260,213.63
2001	315	2,125	12,166	14,291	284,631.38
2002	283	1,449	11,423	12,872	1,047,218.54
2003	99	862	6,394	7,256	\$653,922.66
2004	171	1,534	8,135	9,669	\$1,030,267.58
2005	171	2,027	8,272	10,299	\$589,114.85
2006	167	1,808	8,308	10,116	\$629,222.47
2007	183	1,785	8,298	10,083	\$581,652.38
2008	132	1,556	7,214	8,902	\$295,098.38

Note: These figures do not include correspondence/material sent to consumers by staff members in these positions.

\*This reflects \$19,348,916 that was directly related to flood/sewer.

## State Health Insurance Counseling Program (SHIC)

Year	Number of contacts	Relief
2001	776	\$32,785.00
2002	450	\$52,500.00
2003	493	n/a*
2004	651	n/a*
2005	3,198**	\$841,161.00
2006	6,351**	\$1,607,450.00
2007	9,484	\$2,397,363.00***
2008	15,907	\$4,034,031.00***
Total	37,310	\$8,965,290.00

\*Due to reporting system changes, relief information is not available.

\*\*Increase in calls due to introduction of Medicare Part D drug benefit.

\*\*\*Relief is an estimate based upon national averages provided by CMS.



## Prescription Connection

<b>2008</b>	
Persons helped*	
Telephone assisted	1,084
Web assisted	3,054
Total persons helped	4,138
Estimated relief (discount)**	
Telephone assisted	\$699,180.00
Web assisted	\$1,969,830.00
Total estimated relief	\$2,669,010.00

<b>2007</b>	
Persons helped*	
Telephone assisted	707
Web assisted	3,171
Total persons helped	3,878
Estimated relief (discount)**	
Telephone assisted	\$456,015.00
Web assisted	\$2,045,295.00
Total estimated relief	\$2,501,310.00

\*Helped means applicant was eligible for at least one assistance program.

\*\*PhRMA uses aggregate national information for all programs to calculate a national average amount per person. Due to a lag in data availability, the most current average available is for the year 2004, which is used in both 2007 and 2008 calculations. The calculation for 2004 is \$645 per person helped.

## Agent and company administrative investigation relief

	2005	2006	2007	2008	Total
Agent	\$375,887.45	\$65,715.00	\$675,577.13	\$353,132.54	\$1,470,312.12
Company	\$25,586.44	\$246,052.00	0	0	\$271,638.44
Total	\$401,473.89	\$311,767.00	\$675,577.13	\$353,132.54	\$1,741,950.56

## Agent administrative actions—fines

	2005	2006	2007	2008
Cease and desist	2	3	3	0
Fines	3	1	0	2
Probations	4	1	1	5
Revocations	3	7	7	2
Suspensions	1	0	0	1
Voluntary surrenders	0	0	0	0
Other	5	12	4	5
Total number of actions	18*	24*	15*	15*
Total dollar amount of fines	\$11,890	\$2,000	0	\$3,000

\*The total number of actions may reflect multiple penalties of an individual action.

Note: These administrative actions do not reflect the suspensions/revocations for noncompliance with continuing education requirements in the state of North Dakota.

## Company administrative actions—fines

	2005	2006	2007	2008
Cease and desist	2	3	1	0
Fines	3	7	2	2
Other	4	3	1	3
Total number of actions	9*	13*	4*	5*
Total dollar amount of fines	\$17,078	\$66,600	\$753,978.62	\$22,795.00

\*The total number of actions may reflect multiple penalties of an individual action.